



NEWS RELEASE

United States Department of Agriculture • Rural Development

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USDA RURAL DEVELOPMENT TO HOLD OUTREACH DAY IN GAINESVILLE

GAINESVILLE, TEXAS, September 13, 2004 -- USDA Rural Development representatives will be at the Farm Service Agency, 200 North Grand, Gainesville, Texas on Tuesday, September 28, 2004, from 10:00 a.m. until noon. A staff member will be available to discuss housing programs for very low, low and moderate income families, various community program loans and grants, and business and industry loans and to provide guidance in applying for USDA Rural Development assistance.

There are several programs available to provide assistance to very low, low and moderate income applicants. Loans are available depending on repayment ability, acceptable credit and the location of the home or building site.

The direct home ownership loan is designed to provide very low and low income applicants with financing to build, purchase, or repair homes to provide adequate affordable housing. Funds may also be used to modernize or repair a home already owned by an applicant. The Guaranteed Rural Housing Program is available for moderate income applicants.

Two significant advantages of the direct home ownership loan program are that no down payment is required, and there is no requirement for mortgage insurance. Loans may be made for up to 100% of the appraised market value, which may allow the closing costs to be included. The loan term is typically 33 years. The interest rate is fixed and is currently 6.375%. Payment assistance is available, based on family size and income, which may reduce the monthly interest payment to as low as one percent (1%).

There are also home repair loans and grants for very low income homeowners. The home repair loan amount cannot exceed \$20,000, and grant assistance may not exceed \$7,500. Loans under this program are made with a 1% interest rate and have a maximum term of 20 years. Grant funds are available to homeowners age 62 and over who cannot repay a loan. Grant funds are used to remove health and safety hazards such as repairing roofs, heating, electrical, plumbing, water and waste disposal, handicapped accessibility, etc.

Home improvement loans may be used to modernize and bring a home up to standards, make changes for convenience, add a room, remodel and make overall improvements to the home.

All applicants must meet basic eligibility requirements such as being unable to obtain a loan from other conventional lending sources on terms they can afford; being without ownership of decent, safe and sanitary housing; have sufficient and dependable income for loan repayment, taxes, insurance, living expenses and other existing debts; possess the legal capacity to incur debt; and have an acceptable credit history.

For more information regarding USDA Rural Development programs, contact the Decatur Local Office at (940)-627-3531, Ext. 4.

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USDA Rural Development was created in 1994 and includes Business Programs, Housing Programs, and Community Programs. Its mission is to use the resources of USDA to provide an improved quality of life for the nation's rural residents.

For more information on USDA Rural Development programs in Texas, check our web site at <http://www.rurdev.usda.gov/tx/>.

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).